

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 12941 221256Z

51

ACTION IO-14

INFO OCT-01 AGR-20 RSC-01 AID-20 EB-11 DRC-01 COME-00

ISO-00 ABF-01 OMB-01 TRSE-00 AF-10 ARA-16 EA-11

EUR-25 NEA-10 OIC-04 L-03 H-03 IOE-00 NSC-10 SPC-03

CIAE-00 INR-10 NSAE-00 PA-04 USIA-15 PRS-01 /195 W

----- 060127

P 221125Z NOV 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 1981

LIMITED OFFICIAL USE ROME 12941

FODAG

E.O. 11652: N/A

TAGS: ORG, FAO

SUBJECT: FAO BUDGET LEVEL

FROM USDEL TO FAO CONFERENCE

REF: (A) STATE 229325, (B) ROME 12809

1. SUMMARY. GENEVA GROUP PROPOSAL TO RECALCULATE BUDGET AT 592 LIRA/DOLLAR RATE AND LIMIT SUSPENSE ACCOUNT TO \$4 MILLION ACCEPTED BY DG AND APPROVED BY COMMISSION II. BUDGET LEVEL THEREBY LOWERED FROM PROPOSED #108.5. MILLION TO 106.7 MILLION. COMMISSION ALSO APPROVED DG'S PROPOSAL TO FINANCE WFC COSTS FROM WORKING CAPITAL FUND.

2. CG MET NOVEMBER 20 TO REVIEW POSITION ON BUDGET LEVEL. CHAIRMAN (UK) ASKED US TO LEAD OFF. USDEL (MILLS) EXPLAINED INSTRUCTIONS ALONG SAME LINES AS ON NOVEMBER 19 (REFTEL B) AND CHAIRMAN ASKED FOR REACTION. UK, FRG, FRANCE AND CANADA GAVE SIMILAR REPLIES AS ON NOVEMBER 19; MOST OTHER COUNTRIES WERE VAGUE OR NON-COMMITAL (EXCEPT SWEDEN WHICH SURPRISINGLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 12941 221256Z

HAD FAIRLY FIRM LINE).

3. UK THEN MADE AGREED PROPOSAL FOR (1) RECALCULATION BUDGET AT CURRENT EXCHANGE RATE AND (2) LIMIT SUSPENSE ACCOUNT TO \$4 MILLION. CANADA SUGGESTED GG ALSO SUPPORT SECRETARIAT SUGGESTION THAT WFC EXPENDITURES BE DRAWN FROM WORKING CAPITAL FUND RATHER THAN ADDED AS SEPARATE BUDGET CHAPTER AS SUSGGESTED BY US ON GROUNDS THAT BENDING PRINCIPLE SLIGHTLY WOULD BE BETTER THAN ADDING TO BUDGET BASE. AFTER DISCUSSION CHAIRMAN SAID THERE WAS CONSENSUS THAT GG CO-CHAIRMAN APPROACH SECRETARIAT WITH THIS PROPOSAL. US ACCEPTED APPROACH BUT FOREWARNED DELS THAT UNLESS INSTRUCTIONS CHANGED WE WOULD PROPOSE AMENDMENT AND WOULD EXPECT GG DELS TO ABSTAIN ON VOTE EVEN IF THEY COULD NOT SUPPORT.

4. USDEL DECIDED TO GO ALONG WITH WORKING CAPITAL AS SOURCE OF WFC FINANCING, EVEN THOUGH NOT IN ACCORD WITH PREVIOUS RECOMMENDATION WHICH DEPARTMENT ACCEPTED. US INTEREST IN HOLDING LINE ON BUDGET LEVEL AND JOINING GG CONSENSUS APPEARED TO TAKE PRECEDENCE. CANADA'S POINT ABOUT DANGER OF ADDING TO BUDGET BASE ALSO A CONVINCING ARGUMENT.

5. GG CO-CHAIRMAN OBTAINED ELEVENTH-HOUR AGREEMENT FROM DG TO ACCEPT PROPOSAL IF IT RECEIVED BROAD SUPPORT FROM FLOOR.

6. IN COMMISSION II SESSION NOVEMBER 21, DG'S PROPOSAL TO FINANCE WFC COSTS FROM WORKING CAPITAL FUND WAS ACCEPTED. WHEN BUDGET LEVEL DISCUSSED, UK MADE PROPOSAL AS AGREED FOR BUDGET LEVEL OF \$106.7 MILLION, BASING CALCULATION OF BUDGET ON LIRA/DOLLAR RATE OF 592 WHICH HAD PREVAILED PREVIOUS DAY. AFTER PATTERN OF SUPPORT ESTABLISHED, US INTERVENED ALONG LINES COUNCIL STATEMENT BUT SOMEWHAT MORE CRITICAL IN TONE. US ENDORSED UK PROPOSAL. GENERAL DEBATE ON BUDGET LEVEL SOMEWHAT LISTLESS, PERHAPS BECAUSE MANY DELS HAD MADE THEIR POINTS IN THE COUNCIL.

7. AS AGREED, THE DG ACCEPTED THE UK PROPOSAL AND THANKED MEMBERS IN ADVANCE FOR WHAT HE ASSUMED WOULD BE THEIR UNANIMOUS SUPPORT OF THE PROGRAM OF WORK AND BUDGET.

8. COMMENT. USDEL BELIEVES DISAPPOINTMENT WITH GG EXPRESSED REFTEL A NOT FULLY JUSTIFIED. WHILE GG MEMBERS FOR VARIOUS REASONS REFUSED TO JOIN US IN FIRM ATTACK ON BUDGET, WE BELIEVE GG LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 12941 221256Z

RESPONSIBLE FOR PRESSURE ON DG AND CONSTRUCTIVE APPROACH WHICH RESULTED IN BEST ATTAINABLE RESULT. SECRETARIAT FULLY AWARE GG MEETINGS AND FIRM US POSITION AND ALMOST CERTAINLY GAVE IN ON INCREASE IN SUSPENSE ACCOUNT AS RESULT. ALSO, SECRETARIAT ANTICIPATES THAT SURPLUS FFROM 1970-71 AND 1972-73 BIENNA WILL BE APPROXIMATELY SUFFICIENT TO PROVIDE FOR \$4 MILLION SUSPENSE ACCOUNT, AND THEREBY FREE 1974-75 MISCELLANEOUS INCOME WHICH COULD BE

AVAILABLE LATER FOR CREDIT AGAINST ASSESSMENTS MEMBER GOVERNMENTS. IN A SENSE, THE \$1.6 MILLION SAVED BY GG STAND AGAINST INCREASE IN SUSPENSE ACCOUNT WILL BE SUFFICIENT TO BRING ASSESSMENT BUDGET LEVEL WITHIN \$105.2 MILLION MAXIMUM LIMIT OF US POSITION.

9. USDEL APPRECIATES DEPARTMENT'S HELPFUL AND TIMELY RESPONSES TO REQUESTS FOR ACTION. VOLPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 22 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ROME12941
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731118/aaaaamyq.tel
Line Count: 123
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 229325, (B) ROME 12809
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 18 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18-Sep-2001 by kelleyw0>; APPROVED <07 MAR 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FAO BUDGET LEVEL FROM USDEL TO FAO CONFERENCE
TAGS: AORG, FAO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005